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## State of Utah

### Department of Natural Resources

MICHAEL R. STYLER  
*Executive Director*

### Division of Oil, Gas & Mining

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

January 31, 2006

#### CERTIFIED RETURN RECEIPT 7002 0510 0003 8603 2427

Star Stone Quarries, Inc.  
Lon Thomas  
4040 South 300 West  
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety Estimate, Star Stone Quarries, Inc., Heber Quarry, M/051/001, Wasatch County, Utah

Dear Mr. Thomas:

Thank you for providing the information requested for the five-year review of the Cotton Thomas Operations. The Division finds based on the information reviewed along with a site visit, that the only changes required for the reclamation cost estimate is a five-year escalation. The surety escalated to the year 2011 is \$107,400. A Surety Estimate Update is attached for your use. Please provide the updated surety within 60 days or no later than March 31, 2006.

The request to add additional acreage to the permit area was received with the maps for this review, received January 30, 2005. The request is denied because it is a separate permitting action and should be requested as an application to amend the plan. A copy of the form MR-REV is available on the Division's website.

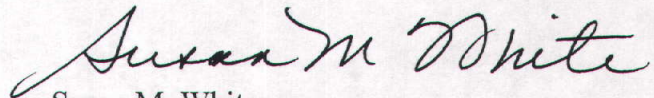
The current surety is in the form of surety bond. Please contact your agent to discuss what action must be taken to increase the dollar amount of the existing bond. You may also contact the Division Minerals Surety Coordinator, Beth Ericksen at (801) 538-5318 to answer questions and discuss bonding details and requirements for Division approval. To further assist you, please visit our website at [www.nr.utah.gov](http://www.nr.utah.gov) to view bonding forms and obtain additional information about process, terms, conditions, and bond requirements.



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If you are unable to provide the surety within this timeframe, please contact the Division with justification for requesting additional time. Thank you for your help in keeping the surety current. If you have any questions concerning this letter, please contact Doug Jensen at (801) 538-5382.

Sincerely,



Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:jb  
Attachment: Surety estimate update  
cc: Doug Jensen, DOGM  
Beth Ericksen, DOGM  
P:\GROUPS\MINERALS\WP\M051-Wasatch\M0510001-HeberQuarry\final\01132006upsurety.doc



## SURETY ESTIMATE UPDATE

12-Jan-06

Star Stone Quarries, Inc.

Heber Quarry

FILE # M/051/001

Heber County

Prepared by Utah Division of Oil, Gas &amp; Mining

Last Update

5/31/2001

## DESCRIPTION:

-Previous reclamation surety estimate was \$87,878 in year 2001 dollars

-Reclamation Estimate base amount calculated in 2001-\$

**-This update adjusts the surety amount for escalation only.**

Sub-soil will be placed on the pit floors at a 2' depth.

Soil was calculated at a 6" depth over the entire site.

1.2 acres or highwall will not be reclaimed.

1.67 acres of borrow area reclamation included in the total disturbance.

-Escalation factors through 2004 are actual Means Historical Cost Indices

-Total disturbed area = 20.67 ACRES

CALCULATIONS	YR	ESCAL FACTOR	BOND AMOUNT
$F = P(1 + i)^{**n}$			
F = Future Sum	1996	0.0242	\$0.00
P = Present Sum	1997	0.0236	\$0.00
i = Escalation Factor	1998	0.0502	\$0.00
n = number of periods	1999	0.0191	\$0.00
	2000	0.0244	\$0.00
Three Yr Average =1.20%	2001	0.0421	\$87,878
Used to Project 5 Yrs	2002	0.0171	\$89,381
From the Year 2005	2003	0.0840	\$96,889
	2004	0.0200	\$98,826
	2005	0.0120	\$100,012
	2006	0.0120	\$101,213
	2007	0.0120	\$102,427
	2008	0.0120	\$103,656
	2009	0.0120	\$104,900
	2010	0.0120	\$106,159
	2011	0.0120	\$107,433
Updated Surety Amount Rounded (2011-\$)			\$107,400

\*\* Average cost per acre = 5198 (\$/ACRE)